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Notes on Terms of Reference of the Economic Intelligence Committee

1. Concerning the existing formal allocation of responsibilities and the points raised by the Department of the Air Force that:

a. Para 2 of DCID 3/1 should allow for the formation of the DIA and its activities in the field of economic intelligence, and the concomitant reduction in the production responsibilities of the military services and

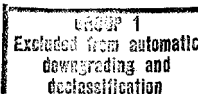
b. Para 2 also might contain a more explicit statement on the assignment of responsibilities for the costing of foreign weapon systems and military forces.

With regard to a., above, in April 1965 changes recommended in DCIDs regarding USIB committee membership were submitted to and concurred in by USIB members. At that time, one change approved (which is not concerned directly with EIC membership) was in DCID 3/1, namely, that production of military-economic intelligence be the primary responsibility of the Department of Defense, rather than of the Departments of the Army, Navy, and Air Force. (USIB-D-1/5, 12 April and USIB-M-385, 28 April 1965.)

With regard to b., above, in a letter to the Director of CIA, dated 5 February 1965, Mr. Vance, (responding for Secretary McNamara) stated that the CIA should continue to have primary responsibility for studies relating to the cost and resource impact of foreign military and space programs; that DIA should cooperate with and augment CIA's capability, particularly with respect to comparative costing problems; and that the Assistant Secretary of Defense (Comptroller) should coordinate and integrate Department of Defense requests for foreign cost and resource analysis. (The role of the DIA, as elaborated above, was earlier formulated by General Carroll in a letter to the Director, dated 31 October 1963.)

In view of the foregoing CIA/DIA agreement, the Committee need take no action to clarify primary research responsibilities at this time. Since the revision of a DCID is a drawnout, time consuming task, the formal revision of DCID 3/1 would not seem warranted to make a single change which is already covered by a formal agreement. Unless the EIC membership decides that other changes are necessary, it is recommended that DCID 3/1 stand as presently drafted.

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2. Other specific responsibilities that the EIC has included in DCID 3/1 but not set out in the SIC, GMAIC, and JAEIC charters include that of periodically surveying the facilities and arrangements available to support the production of foreign economic intelligence relating to the national security. The last such survey the EIC conducted was in 1958. However, despite the fact that its charter does not mention personnel surveys, the SIC has recently conducted such a survey of scientific and technical resources of the community in connection with their study of the threat analysis problem, and the Chairman, SIC, informs me that this survey will be kept up to date.

3. The EIC terms call for preparation and circulation of consolidated listings of intelligence studies and related research being conducted within the Government on the economies of foreign areas. Both the EIC and the SIC prepared and issued surveys in their respective fields but discontinued the listings in view of the fact the surveys did duplicate in large measure other listings -- in the case of the EIC, the quarterly and annual inventories of Government-Sponsored Research on Foreign Areas, prepared by the Office of External Research, Department of State, and the Intelligence Publications Index, prepared by the Office of Central Reference, CIA.

4. Some assigned responsibilities of the SIC, GMAIC, and JAEIC are not specified in the EIC Terms of Reference:

a. Recommendation of intelligence objectives within the over-all national intelligence objectives, establishment of relative priorities on substantive needs, review of the scope and effectiveness of collection and production efforts to meet these objectives and making necessary substantive recommendations to the departments and agencies concerned. (Experience has been that the refinement of the PNIOs by the EIC through preparation of PNEIOs does not provide sufficient additional guidance to warrant the effort.)

b. Production of drafts of national intelligence estimates, contributions to national intelligence estimates, and other interdepartmental intelligence as circumstances require.

c. A specific responsibility of the SIC is to provide a mechanism for coordinating the S & T intelligence production efforts of the member agencies, including specifically the S & T portions of the National Intelligence Survey. A specific responsibility of the JAEIC is to provide a mechanism for coordinating the atomic energy intelligence production efforts of the member agencies -- the only committee charged with coordination of all production in a field of intelligence.